

Predictmedix Inc. (formerly, Cultivar Holdings Inc.)

Consolidated Financial Statements
January 31, 2020

(Expressed in Canadian Dollars)

PREDICTMEDIX INC. (formerly Cultivar Holdings Inc.)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Predictmedix Inc. (formerly Cultivar Holdings Inc.):

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Predictmedix Inc. (formerly Cultivar Holdings Inc.) (the "Company"), which comprise the consolidated statements of financial position as at January 31, 2020 and 2019, and the consolidated statements of loss and comprehensive loss, changes in shareholders' deficit and cash flows for the year ended January 31, 2020 and for the period from incorporation on December 6, 2017 to January 31, 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2020 and 2019, and its financial performance and its cash flows for the year ended January 31, 2020 and for the period from incorporation on December 6, 2017 to January 31, 2019 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Consolidated Financial Statements and the Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information, other than the consolidated financial statements and our auditor's report thereon, included in Management's Discussion and Analysis report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Mickey Goldstein.



Vancouver, BC
June 1, 2020

Buckley Dodds LLP
Chartered Professional Accountants

Predictmedix Inc. (formerly Cultivar Holdings Inc.)
Consolidated Statements of Financial Position
(in Canadian dollars)

ASSETS	January 31, 2020	January 31, 2019
CURRENT		
Cash	\$ 1,493,577	\$ 1,558,949
Sales tax receivable	10,133	-
Loans and advances	-	68,526
Deferred costs	-	61,474
Prepaid expenses (Note 6)	130,669	26,672
	<u>1,634,379</u>	<u>1,715,621</u>
Property and equipment (Note 7)	20,191	14,106
Right-of-use asset (Note 14)	12,192	-
TOTAL ASSETS	\$ 1,666,762	\$ 1,729,727
 LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 67,917	\$ 47,113
Lease liability current portion (Note 15)	11,921	-
	<u>79,838</u>	<u>47,113</u>
Lease liability non current portion (Note 15)	3,268	-
TOTAL LIABILITIES	83,106	47,113
 SHAREHOLDERS' EQUITY		
Share Capital (Note 9)	4,119,484	2,041,220
Warrant reserve (Note 9)	123,283	-
Share-based payment reserve (Note 9)	15,922	5,535
Accumulated deficit	(2,611,940)	(320,423)
	<u>\$ 1,646,749</u>	<u>\$ 1,726,332</u>
Non-controlling interest	(63,093)	(43,718)
TOTAL SHAREHOLDERS' EQUITY	1,583,656	1,682,614
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 1,666,762	\$ 1,729,727

Organization and nature of operations (Note 1)
Basis of presentation and going concern (Note 2)
Commitment and contingencies (Note 11)
Subsequent events (Note 18)

Approved on behalf of the Board of Directors:

/Sheldon Kales/

Signed: Sheldon Kales, CEO and Director

/Rahul Kushwah/

Signed: Rahul Kushwah, COO and Director

The accompanying notes are an integral part of these consolidated financial statements

Predictmedix Inc. (formerly Cultivar Holdings Inc.)
Consolidated Statements of Loss and Comprehensive Loss
(in Canadian dollars)

	Year ended January 31, 2020	For the period from incorporation on December 6, 2017 to January 31, 2019
Expenses:		
Administration and general	\$ 15,537	\$ 33,526
Amortization (Notes 7, 14)	19,475	4,395
Audit and accounting	56,647	-
Consulting fees	135,631	-
Interest expense (Note 15)	4,165	-
Legal fees	126,975	86,840
Management fees (Note 10)	263,066	59,955
Patent and trademark expenses	5,930	17,288
Rent expense (Note 10)	18,000	32,366
Research and development	73,733	49,205
Samples and testing	260	21,886
Share based compensation (Note 8)	10,387	5,535
Taxes and related	-	2,697
Transfer agent and filing fees	25,122	-
Travel, entertainment and related	59,893	47,518
Vehicle use expenses (Note 10)	6,000	4,750
	(820,821)	(365,961)
Gain on foreign exchange	-	1,820
Loss from acquisition of subsidiary (Note 4)	(1,490,071)	-
Loss and comprehensive loss	\$ (2,310,892)	\$ (364,141)
Loss and comprehensive loss attributable to:		
Shareholders	\$ (2,291,517)	\$ (320,423)
Non-controlling interest	\$ (19,375)	\$ (43,718)
Loss per share-Basic and Diluted	\$ (0.024)	\$ (0.006)
Weighted average number of shares outstanding-Basic and Diluted	97,820,135	57,369,525

The accompanying notes are an integral part of these consolidated financial statements

Predictmedix Inc. (formerly Cultivar Holdings Inc.)
Consolidated Statement of Changes in Shareholders' Equity
(in Canadian dollars)

	Number of common shares outstanding	Share capital	Warrant reserve	Share-based payment reserve	Non-controlling interest	Deficit	Total
Balance, December 6, 2017	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Seed Shares issued for cash	30,000,000	30	-	-	-	-	30
Acquisition of CannIP Holdings Inc.	29,800,000	30	-	-	-	-	30
Private placements	33,202,500	2,070,500	-	-	-	-	2,070,500
Shares issued as finders' fees	275,000	-	-	-	-	-	-
Share issuance cost	-	(29,340)	-	-	-	-	(29,340)
Share-based compensation	-	-	-	5,535	-	-	5,535
Net loss for the period	-	-	-	-	(43,718)	(320,423)	(364,141)
Balance as at January 31, 2019	93,277,500	\$ 2,041,220	\$ -	\$ 5,535	\$ (43,718)	\$ (320,423)	\$ 1,682,614
Private placement of units	3,296,000	700,717	123,283	-	-	-	824,000
Shares issued as finders fees	66,400	-	-	-	-	-	-
Shares issuance cost	-	(95,445)	-	-	-	-	(95,445)
Shares issued for services	900,000	105,000	-	-	-	-	105,000
Share-based compensation	-	-	-	10,387	-	-	10,387
Reverse takeover of subsidiary (Note 4)	6,514,249	1,367,992	-	-	-	-	1,367,992
Net loss for the year	-	-	-	-	(19,375)	(2,291,517)	(2,310,892)
Balance as at January 31, 2020	104,054,149	\$ 4,119,484	\$ 123,283	\$ 15,922	\$ (63,093)	\$ (2,611,940)	\$ 1,583,656

The accompanying notes are an integral part of these consolidated financial statements

Predictmedix Inc. (formerly Cultivar Holdings Inc.)
Consolidated Statements of Cash Flows
(in Canadian dollars)

	For the year ended January 31, 2020	For the period from December 6, 2017 to January 31, 2019
OPERATING ACTIVITIES		
Net loss	\$ (2,310,892)	\$ (364,141)
Non-cash items included in net loss and other adjustments:		
Amortization	19,475	4,395
Interest on lease liability	4,165	-
Loss from acquisition of subsidiary	1,490,071	-
Share-based compensation	10,387	5,535
Shares issued for services	105,000	-
Changes in non-cash working capital:		
Sales tax receivable	(9,008)	-
Prepaid expenses	(103,997)	(26,672)
Loans and advances	(38,999)	(68,526)
Accounts payable and accrued liabilities	1,677	47,113
CASH USED IN OPERATING ACTIVITIES	(832,121)	(402,296)
INVESTING ACTIVITIES		
Purchase of property and equipment	(13,368)	(18,501)
Cash acquired on acquisition of subsidiary	3,448	30
CASH USED IN INVESTING ACTIVITIES	(9,920)	(18,471)
FINANCING ACTIVITIES		
Issuance of share capital for cash	824,000	2,070,530
Lease payments made	(13,360)	-
Share issue expenses for cash	(33,971)	(29,340)
Deferred financing costs	-	(61,474)
CASH PROVIDED BY FINANCING ACTIVITIES	776,669	1,979,716
NET CHANGE IN CASH DURING THE PERIOD	(65,372)	1,558,949
CASH, BEGINNING OF PERIOD	1,558,949	-
CASH, END OF PERIOD	\$ 1,493,577	\$ 1,558,949
Cash paid for interest and income taxes	\$ -	\$ -

The accompanying notes are an integral part of these consolidated financial statements

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Notes to Consolidated Financial Statements

January 31, 2020

(in Canadian dollars)

1. Organization and Nature of Operations

Admiral Bay Resources Inc. ("Admiral") was incorporated in British Columbia on September 3, 1987.

Effective September 23, 2019, Admiral was part of a three-cornered amalgamation among Admiral, 2693980 Ontario Inc. (a wholly owned subsidiary of Admiral) and Cultivar Holdings Ltd. (the "Transaction"). Admiral completed the acquisition of all the issued and outstanding shares of Cultivar Holdings Ltd. by way of a three-cornered amalgamation, pursuant to which 2693980 Ontario Inc., amalgamated with Cultivar Holdings Ltd. Pursuant to the Transaction, each registered shareholder of Cultivar Holdings Ltd. received one (1) common share in the capital of the Admiral for each common share held, resulting in the issuance of an aggregate of 97,439,900 common shares to Cultivar Holdings Ltd. Shareholders. As part of the Transaction, warrants of Cultivar Holdings Ltd. were replaced with common share purchase warrants of Admiral. In addition, 500,000 Admiral shares were set aside to be issued to members of Cultivar Holdings Ltd. management team upon the final approval of Jamaica's Cannabis Licensing Authority for the licences involved in the cultivation, processing, retail and transportation of cannabis.

At completion of the transaction, Admiral changed its name to Cultivar Holdings Inc. (the "Company"). On April 9, 2020, the Company announced that it has completed its name change from "Cultivar Holdings Inc." to "Predictmedix Inc." (the "Name Change"). The CUSIP number assigned to the Company's common shares following the name change is CUSIP 74040L100 (ISIN CA74040L1004). In connection with the Name Change, the Company's trading symbol, as listed on the CSE and the OTCQB have also been changed from "CULT" to "PMED", and from "CVRHF" to "PMEDF", respectively.

The Company, through its subsidiaries, is in the business of development of cosmetic and edible product lines, as well as investment in technology to detect if an individual is under the influence of cannabis and to predict substance addiction. On March 30, 2020, the Company announced that it has sold and discontinued its interests in its marijuana services and products (Note 18).

The Company's corporate head office is located at 77 King Street W, Suite 3000, Toronto, Ontario, Canada, M5K 1G8.

On February 15, 2018, the Company had acquired a 49% interest in a newly incorporated Cultivar JA Limited, ("CJA") a corporation incorporated under the laws of Jamaica. The remaining 51% interest is owned by local Jamaican business partners. CJA was applying for a license to grow high quality cannabis in Jamaica. On March 30, 2020, the Company announced that it has entered into a sale agreement with respect to its 49% interest in Cultivar JA Limited and discontinued all interests in its marijuana services and products.

On July 16, 2018 the Company had acquired a 100% interest in a newly incorporated CannIP Holdings Inc. (formerly 2639745 Ontario Inc.) ("Cann") a corporation incorporated under the laws of the province of Ontario. Cann is engaged in the development of cosmetic and edible product lines, as well as investment in technology to detect an individual influence of cannabis. The Company did a one for one share exchange with Cann and issued 29,800,000 common shares to the shareholders of Cann.

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Notes to Consolidated Financial Statements

January 31, 2020

(in Canadian dollars)

2. Basis of Presentation and Going Concern**Basis of Preparation**

These consolidated financial statements have been prepared on the historical cost basis except for financial instruments recorded at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The functional currency of the Company and its subsidiaries is the Canadian dollar, which is also the Company's reporting currency.

Statement of Compliance

The consolidated financial statements have been prepared in accordance with International Accounting Standards ("IAS") 1, "Presentation of Consolidated Financial Statements" using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries; Cultivar Holdings Ltd., CJA and Cann from the date of acquisition. The Company has a 49% interest in CJA, and 100% interest in Cann and in Cultivar Holdings Ltd. All inter-company transactions and balances have been eliminated on consolidation.

Going Concern Assumption

These consolidated financial statements have been prepared using IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business, for the next fiscal year. At January 31, 2020, the Company had cash of \$1,493,577, working capital of \$1,554,541 and an accumulated deficit of \$2,611,940. The continuing operations of the Company are dependent on funding provided by equity investors. The Company intends to finance its future requirements through a combination of equity and/or debt issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms.

This uncertainty may cast significant doubt about the ability of the Company to continue as a going concern. These consolidated financial statements do not include any adjustments to the carrying value or presentation of assets or liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Notes to Consolidated Financial Statements

January 31, 2020

(in Canadian dollars)

2. Basis of Presentation and Going Concern (Cont'd)

Significant Accounting Judgments and Estimates

The preparation of these consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the years reported.

Critical Judgements

The preparation of these consolidated financial statements requires management to make judgements regarding the going concern of the Company (discussed above), as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates and has been determined for each entity within the Company. The functional currency for the Company and its subsidiaries has been determined to be the Canadian dollar.

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the consolidated financial statements include:

Share-based payments

Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

Deferred tax assets & liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

2. Basis of Presentation and Going Concern (Cont'd)

Significant Accounting Judgments and Estimates (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

Useful life of property and equipment

Property and equipment is depreciated over its estimated useful life. Estimated useful lives are determined based on current facts and past experience and takes into consideration the anticipated physical life of the asset, the potential for technological obsolescence, and regulations.

Leases

The Company estimates the lease term by considering the facts and circumstances that can create an economic incentive to exercise an extension option, or not exercise a termination option by assessing relevant factors such as store profitability. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment of the lease term is reviewed if a significant event or a significant change in circumstance occurs, which affects this assessment and that is within the control of the lessee. The Company estimates the incremental borrowing rate used to measure our lease liability for each lease contract. This includes estimation in determining the asset-specific security impact.

Approval of the consolidated financial statements

These consolidated financial statements were authorized for issuance by the Board of Directors on June 1, 2020.

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Notes to Consolidated Financial Statements

January 31, 2020

(in Canadian dollars)

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

Cash

Cash comprises of cash held at banks and amounts held in trust. The majority of the Company's cash is held in trust. The Company does not invest in any asset-backed deposits or investments.

Income taxes

Income tax on profit or loss for the period comprises of current and deferred tax. Current tax is the expected tax paid or payable on the taxable income for the period, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax paid or payable in respect of previous periods.

Deferred tax is recorded by providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that

the related tax benefit will be realized. The effect on deferred tax assets and liabilities of a change in income tax rates is recognized in the period that includes the date of the enactment or substantive enactment of the change. Deferred tax assets and liabilities are presented separately except where there is a right of set-off within fiscal jurisdictions

Foreign currency translation

Foreign currency transactions are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the period-end date, unsettled monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at the year-end date and the related translation differences are recognized in net loss.

Non-monetary assets and liabilities that are measured at historical cost are translated into Canadian dollars by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in net loss or other comprehensive loss consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Notes to Consolidated Financial Statements

January 31, 2020

(in Canadian dollars)

3. Significant Accounting Policies (Cont'd)

Share Capital

Common shares and warrants are classified as shareholders' equity. Incremental costs directly attributable to the issue of common shares are recognized as a reduction of shareholders' equity, net of tax.

The Company has adopted a relative fair value method with respect to the measurement of common shares and warrants issued as private placement units. The relative fair value method allocates value to each component on a pro-rata basis, based on the fair value of the components calculated independently of one another. The Company considers the market value of the common shares issued as fair value and measures the fair value of the warrant component of the unit using the Black-Scholes option pricing model. The unit value is then allocated, pro-rata, between the two components, with fair value attributed to the warrants being recorded to the Company's warrant reserve.

Loss per share

Loss per share is computed by dividing the net loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted loss per common share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

Share-based payments

The Company grants stock options to buy common shares of the Company to consultants and service providers. The Company recognizes share-based compensation expense based on the estimated fair value of the options. A fair value measurement is made for each vesting instalment within each option grant and is determined using the Black-Scholes option-pricing model. The fair value of the options is recognized over the vesting period of the options granted as both share-based compensation expense and reserves. This includes a forfeiture estimate, which is revised for actual forfeitures in subsequent periods. The reserves account is subsequently reduced if the options are exercised and the amount initially recorded is then credited to capital stock.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of the goods or services received.

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Notes to Consolidated Financial Statements

January 31, 2020

(in Canadian dollars)

3. Significant Accounting Policies (Cont'd)

Property and equipment:

Property and equipment is carried at cost, less accumulated amortization and accumulated impairment losses. The cost of the item of property and equipment consists of the purchase price, and any costs directly attributable to bringing the asset to the location and condition necessary for its intended use. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statement of loss and comprehensive loss. The cost of repairs and maintenance is expensed as incurred.

The Company amortizes its property and equipment using the following rates:

Equipment	30% per annum, declining balance
Leasehold improvements	Straight line over the term of the lease

Impairment

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Notes to Consolidated Financial Statements

January 31, 2020

(in Canadian dollars)

3. Significant Accounting Policies (Cont'd)

Financial Instruments

Financial assets and financial liabilities are recognized on the consolidated statements of financial position when the Company becomes a party to the contractual provisions of the financial instrument.

The following is the Company's accounting policy for financial instruments under IFRS 9:

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss and comprehensive loss in the period in which they arise.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

3. Significant Accounting Policies (Cont'd)

Financial Instruments (Cont'd)

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the consolidated statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Derecognition

Financial assets

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition are generally recognized in profit or loss.

The Company's financial assets and liabilities are classified as follows:

Asset or Liability	Classification
Cash	FVTPL
Loans and advances	Amortized cost
Accounts payable	Amortized cost

3. Significant Accounting Policies (Cont'd)

Financial Instruments (Cont'd)

The Company determines the fair value of financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 – Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 – Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash has been measured at fair value using Level 1 inputs.

Impairment of financial assets

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in a separate line item. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Notes to Consolidated Financial Statements

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3. Significant Accounting Policies (Cont'd)

New standards adopted

(a) Leases and right-of-use assets

In January 2016, the IASB issued IFRS 16 - Leases ("IFRS 16"), replacing IAS 17 - Leases. IFRS 16 provides a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases on its statement of financial position, providing the reader with greater transparency of an entity's lease obligations.

At February 1, 2019, the Company adopted IFRS 16 using the modified retrospective approach and accordingly the information presented for 2018 has not been restated. It remains as previously reported under IAS 17 and related interpretations.

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted if it is reasonably certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognized where the Company is contractually required to dismantle, remove or restore the leased asset.

Lease liabilities, on initial measurement, increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortized on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

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3. Significant Accounting Policies (Cont'd)

New standards adopted (Cont'd)

(a) Leases and right-of-use assets (cont'd)

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortized over the remaining (revised) lease term. The Company adopted this standard and the impact on the Company's consolidated financial statements are disclosed in notes 14 and 15.

(b) Uncertainty over Income Tax Treatments:

On June 7, 2017, the IASB issued IFRIC Interpretation 23 Uncertainty over Income Tax Treatments. The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Company adopted this standard at February 1, 2019 and there was no material impact on the Company's unaudited condensed interim consolidated financial statements.

Other accounting standards and amendments to existing accounting standards that have been issued and have future effective dates are not applicable or are not expected to have a significant impact on the Company's financial statements.

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4. Acquisitions

During the year ended January 31, 2020, the Company completed the following acquisition:

Effective September 23, 2019, the Company was part of a three-cornered amalgamation among the Company, 2693980 Ontario Inc. (a wholly owned subsidiary) and Cultivar Holdings Ltd. (the "Transaction"). The result of the transaction was that Admiral acquired all the issued and outstanding securities of Cultivar Holdings Ltd. on the basis of one share of Admiral for each share of former Cultivar. All outstanding warrants to purchase former Cultivar shares were exchanged, on an equivalent basis, for warrants to purchase shares of the Company. At completion of the transaction, Admiral changed its name to Cultivar Holdings Inc. and former Cultivar was amalgamated into 2693980 Ontario Inc.

Under IFRS, this was considered a Reverse Merger and Recapitalization (commonly referred to as a Reverse Take Over or "RTO"). The Company issued 6,514,249 shares valued at \$0.21 per share, with a total value of \$1,367,992 for the acquisition.

The fair value of the acquired assets and liabilities assumed is as follows:

Assets acquired by the Company:		
Cash	\$	3,448
Prepaid expenses		1,125
Liabilities assumed by the Company:		
Accounts payable and accrued liabilities		(19,127)
Loans payable		(107,525)
Net liabilities assumed		(122,079)
Fair value of shares issued		(1,367,992)
Loss on acquisition	\$	(1,490,071)

5. Prior Year Acquisitions

On February 15, 2018, the Company acquired a 49% interest in a newly incorporated company, CJA, incorporated under the laws of Jamaica. The remaining 51% interest is owned by local business partners. CJA is currently applying for a license to grow high quality cannabis in Jamaica. No consideration was given for the acquisition.

On July 16, 2018 the Company acquired a 100% interest in a newly incorporated company Cann, incorporated under the laws of the province of Ontario. Cann is engaged in the development of a CBD product portfolio, as well as artificial intelligence powered technology to detect cannabis impairment. The Company did a one for one share exchange with Cann and issued 29,800,000 common shares to the shareholders of Cann, valued at \$30. The net assets acquired on the acquisition were determined to be valued at \$30, resulting in no gain or loss on the transaction.

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Notes to Consolidated Financial Statements

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6. Prepaid Expenses

As of January 31, 2020, a sum of \$31,858 (USD 24,075) is unexpended by CJA, which was advanced to its director for future expenses, and classified as prepaid expenses in the consolidated statement of financial position (January 31, 2019: \$26,672). In addition, the Company prepaid \$98,811 (January 31, 2019: \$nil) including \$70,060 to conduct a study to further validate its proprietary impairment detection technology for both alcohol and cannabis.

7. Property and Equipment

	Equipment	Leasehold Improvement	Total
Cost			
Balance as at December 6, 2017	\$ -	\$ -	\$ -
Additions	8,585	9,916	18,501
Balance as at January 31, 2019	\$ 8,585	\$ 9,916	\$ 18,501
Additions	13,368	-	13,368
Balance as at January 31, 2020	\$ 21,953	\$ 9,916	\$ 31,869
Accumulated Amortization			
Balance as at December 6, 2017	\$ -	\$ -	\$ -
Amortization	2,146	2,249	4,395
Balance as at January 31, 2019	\$ 2,146	\$ 2,249	\$ 4,395
Amortization	3,603	3,680	7,283
Balance as at January 31, 2020	\$ 5,749	\$ 5,929	\$ 11,678
Net Carrying Amounts			
As at January 31, 2019	\$ 6,439	\$ 7,667	\$ 14,106
As at January 31, 2020	\$ 16,204	\$ 3,987	\$ 20,191

8. Stock-based Compensation

The Company has established a stock option plan whereby officers, directors, employees and service providers may be granted options to purchase common shares at a fixed price. Vesting and expiry provisions are determined at the date of grant. The plan provides for the issuance of stock options to acquire up to 10% of the Company's issued and outstanding capital. The plan is a rolling plan as the number of shares reserved for issuance pursuant to the grant of stock options will increase as the Company's issued and outstanding share capital increases.

a) In October 2018, the Company granted options to a consultant to acquire a total of 250,000 common shares. These options were issued at an exercise price of \$0.10 per share and vested 75,000 immediately, 37,500 at the date of engineering milestone (vested during the quarter ended July 31, 2019) and balance 137,500 on completion of additional milestones, including 75,000 on model development (vested during the quarter ended October 31, 2019) and 62,500 on project handover, with an expiry term of two years. The fair value of each option used for the purpose of estimating the stock-based compensation was estimated using the Black-Scholes option pricing model with the following assumptions:

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8. Stock-based compensation (Cont'd)

Risk free rate	2.26%
Expected dividends	0%
Expected forfeiture rate	0%
Expected volatility	100%
Expected life	2 years
Unvested stock-based compensation expense as of January 31, 2019	\$ 3,311

During the year ended January 31, 2020, the Company expensed \$5,961 relating to the vesting of 187,500 options, resulting in unvested stock-based compensation expense of \$3,311 as of January 31, 2020.

b) In November 2018, the Company granted options to a consultant to acquire a total of 100,000 common shares. These options were issued at an exercise price of \$0.10 per share and vested 25,000 immediately, and 25,000 each on April 1, 2019, September 1, 2019 and March 1, 2020 with an expiry term of three years. The fair value of each option used for the purpose of estimating the stock-based compensation is estimated using the Black-Scholes option pricing model with the following assumptions:

Risk free rate	2.30%
Expected dividends	0%
Expected forfeiture rate	0%
Expected volatility	100%
Expected life	3 years
Unvested stock-based compensation expense as of January 31, 2020	\$ 260

During the year ended January 31, 2020, the Company expensed \$4,426 relating to the vesting of 75,000 options, resulting in unvested stock-based compensation expense of \$260 as of January 31, 2020.

As of January 31, 2020, there was \$3,571 (January 31, 2019: \$13,958) of unvested stock-based compensation expense.

Continuity of the Company's options is as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, December 7, 2017	-	\$ -
Issued	350,000	\$0.10
Outstanding, January 31, 2019 and January 31, 2020	350,000	\$0.10

As at January 31, 2020, the Company had the following share purchase options outstanding and exercisable:

Outstanding	Exercisable	Exercise Price	Remaining Life (Years)	Expiry Date
250,000	187,500	\$0.10	0.73	October 25, 2020
100,000	75,000	\$0.10	1.77	November 8, 2021
350,000	262,500	\$0.10	1.03	

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9. Capital Stock

The Company is authorized to issue the following shares:

- Unlimited number of common shares without par value

a) Common shares

The holders of common shares are entitled to receive dividends which are declared from time to time and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

At January 31, 2020, the Company has 104,054,149 common shares issued and outstanding.

b) Share issuances

During the year ended January 31, 2020:

- The Company issued 800,000 common shares at \$0.10 for services. This includes 550,000 common shares issued to a director valued at \$55,000 (Note 10).
- On August 12, 2019, the Company closed a private placement of 3,296,000 units at \$0.25 per unit for a consideration of \$824,000. Each unit is comprised of one common share and one-half of one common share purchase warrant (each whole warrant, a "Warrant"), with each Warrant exercisable into a common share of the Company at an exercise price of \$0.50 per share for a period of 24 months. The Black-Scholes option pricing model was used to determine the fair value of the warrants using the following weight average assumptions: Expected dividend yield of 0%; risk free interest rate of 1%; expected volatility of 100%; expected life of 2 years. The relative fair value of the warrants has been valued at \$123,283 and common shares at \$700,717 (\$0.21). In connection with this private placement, the Company issued 66,400 shares as finders' fee, and incurred an additional \$95,445 in share issuance costs.
- The Company issued 6,514,249 shares in connection with the acquisition discussed in Note 4.
- On January 10, 2020, the Company issued 100,000 shares for financial media marketing and investor services for a total consideration of \$25,000, to be provided over the period commencing October 28, 2019 and ending on November 1, 2020 (the "Term")

During the period ended January 31, 2019:

- The Company issued 30,000,000 common shares, as founders' shares, for \$30.
- The Company issued 29,800,000 common shares in a share exchange agreement with Cann, valued at \$30 (Note 5).
- The Company issued 24,995,000 common shares at \$0.05 per share in private placements and raised \$1,249,750. The Company issued 275,000 common shares as finders shares.
- The Company issued 8,207,500 common shares at \$0.10 per share in private placements and raised \$820,750.

In conjunction with the above private placements, the Company incurred cash share issuance costs of \$29,340.

Predictmedix Inc. (formerly Cultivar Holdings Inc.)

Notes to Consolidated Financial Statements

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(in Canadian dollars)

9. Capital Stock (Cont'd)

As at January 31, 2020, the Company had the following warrants outstanding:

Outstanding	Exercise Price	Remaining Life (Years)	Expiry Date
1,648,000	\$0.50	1.53	August 11, 2021

10. Related Party Transactions

Related parties include key management personnel, the Board of Directors, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Key management of the Company are members of the Board of Directors, the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and the Chief Operating Officer ("COO").

Transactions with key management personnel not disclosed elsewhere in the financial statements include the following:

	Year ended January 31, 2020	Period from incorporation on December 6, 2017 to January 31, 2019
Management fees to the CEO	\$ 96,000	\$ 56,000
Management fees to a director	54,000	-
Management fees (issued in shares) to a director	55,000	-
Management fees to the COO	20,000	-
Management fees to the CFO	38,066	3,955
Total Management fees	\$ 263,066	\$ 59,955
Vehicle expense to the CEO	6,000	4,750
Rent to the CEO included in rent expense	18,000	14,250
	\$ 287,066	\$ 78,955

As of January 31, 2020, there was \$nil due to any related parties (January 31, 2019 - \$17,113 due to the CEO, included in accrued liabilities).

11. Commitments and Contingencies

Effective July 1, 2018, the Company signed a two-year contract with a corporation owned and controlled by the CEO to pay monthly compensation of \$8,000 for CEO services. In addition, the Company pays monthly rent for \$1,500 and an additional \$500 per month for the use of a personal vehicle.

The Company's operations were governed by governmental laws and regulations regarding environmental protection. Environmental consequences are difficult to both predict and identify, in terms of level, impact or timeline. At the present time and to the best knowledge of its management, the Company is in conformity with the laws and regulations in effect. Restoration costs will be accrued in the financial statements only when they will be reasonably estimated and will be charged to the earnings at the time.

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Notes to Consolidated Financial Statements

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12. Financial Instruments

The fair value of the Company's accounts payable, and loans and advances approximate carrying value, due to their short-term nature. The Company's cash is measured at fair value under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled costs. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods. Funding for long term liquidity needs is based on the ability of the Company to successfully complete private placements.

As at January 31, 2020, the Company had sufficient cash of \$1,493,577 to settle current liabilities of \$79,838.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

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12. Financial Instruments (Cont'd)**Financial risk management and objectives (Cont'd)***(a) Currency risk*

Currency risk is the risk that the fair value of future cash flows of a financial instrument denominated in a foreign currency will fluctuate because of changes in foreign exchange rates. The Company operates internationally, which gives rise to the risk that cash flows may be adversely impacted by exchange rate fluctuations. Amounts subject to currency risk are prepaid expenses held by a Director in US Dollars in a Jamaican bank account as well as operating expenses incurred by CJA in US Dollars and Jamaican Dollars. As at January 31, 2020, the Company had net financial assets denominated in US Dollars of approximately \$31,900 (January 31, 2019: \$26,700). Therefore, a 10% change in value of the US Dollar versus the Canadian Dollar would give rise to a gain or loss of approximately \$3,190 (January 31, 2019: \$2,670). The Company has not entered into any foreign exchange contracts to hedge this risk.

13. Capital Management

The Company considers its capital to be shareholders' equity, which is comprised of share capital and deficit, which as at January 31, 2020 totaled \$1,583,656. The Company's capital structure is adjusted based on the funds available to the Company such that it may continue to seek new opportunities. The Board of Directors does not establish quantitative return on capital criteria, but rather relies on the expertise of management and other professionals to sustain future development of the business.

The sources of future funds presently available to the Company are through the sale of equity capital or debt of the Company. The ability of the Company to arrange such financing in the future will depend in part upon the prevailing capital market conditions as well as the business performance of the Company. There can be no assurance that the Company will be successful in its efforts to arrange additional financing, if needed, on terms satisfactory to the Company.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital restrictions.

14. Right-of-use Asset

The Company's right-of-use assets as at January 31, 2020 are as follows:

Balance at adoption, February 1, 2019	\$	24,384
Amortization		(12,192)
Balance at year-end, January 31, 2020	\$	12,192

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15. Lease Liability

At the commencement date of the leases, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 18% which is the Company's incremental borrowing rate.

Lease liability interest expense recognized in profit and loss and lease payments recognized in the financing component of statement of cash flows are as follows:

Balance at adoption, February 1, 2019	\$	24,384
Interest expense		4,165
Lease payments made during the year		(13,360)
Balance at year-end, January 31, 2020	\$	15,189

The Company's lease liability as at January 31, 2020 is as follows:

Lease liability current	\$	11,921
Lease liability non current		3,268
Total lease liability	\$	15,189

16. Segment Information

The Company is a holding company whose subsidiary in Jamaica is in the early stage marijuana services and products, and another subsidiary in Canada is in the early development of a CBD product portfolio, as well as development of artificial intelligence powered technology to identify if someone is under the influence of cannabis and to predict substance addiction.

There are no revenues during the year. All assets are located in Canada except for property and equipment for \$8,494 and prepaid expenses for \$31,858 which are located in Jamaica.

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Notes to Consolidated Financial Statements

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(in Canadian dollars)

17. Income Taxes

The following is a reconciliation of income taxes attributable to operations computed at the statutory tax rates to income tax recovery.

	January 31, 2020	January 31, 2019
Loss for the period	\$ (2,310,892)	\$ (364,141)
Tax rate	26%	26.5%
Expected income tax recoverable at statutory rate	(600,832)	(96,497)
Change due to acquisition, and other	(1,106,421)	5,818
Non-deductible items	397,905	1,467
Share issuance costs	(24,816)	(7,775)
Change in unrecognized deductible temporary differences	1,334,164	96,987
Total income tax recovery	\$ -	\$ -

Deferred tax assets

The significant components of the Company's deferred tax assets that have not been included on the consolidated statement of financial position are as follows:

	January 31, 2020	January 31, 2019
Non-capital losses available for future period	\$ 1,410,174	\$ 90,020
Share issuance costs	17,941	5,868
Property and equipment	3,036	1,099
Total deferred tax assets	1,431,151	96,987
Less: Unrecognized deferred tax assets	(1,431,151)	(96,987)
Net deferred tax assets	\$ -	\$ -

The significant components of the Company's unrecognized temporary differences and tax losses are as follows:

	January 31, 2020	Expiry Date	January 31, 2019
Non-capital losses	\$ 5,423,746	2026 – 2040	360,079
Share issuance costs	\$ 69,003	2039 – 2044	23,472
Property and equipment	\$ 11,678	No expiry	4,395

Tax attributes are subject to review and potential adjustment by tax authorities.

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18. Subsequent Events

- On March 30, 2020, the Company announced that it has entered into a sale agreement (the "Sale Agreement") with respect to its 49% interest in Cultivar JA Limited ("Cultivar JA"), which holds a provisional cannabis cultivation license in Jamaica.

Pursuant to the terms of the Sale Agreement, the Company's wholly-owned subsidiary, Cultivar Holdings Ltd., has agreed to sell its 49% interest in Cultivar JA and all related royalty interests to the principals of Cultivar JA in exchange for the principals of Cultivar JA agreeing to cancel 4,000,000 common shares of the Company owned by the principals. In addition, the principals also agreed to terminate their right to receive an additional 500,000 common shares of the Company which had been reserved for issuance upon Jamaica's Licensing Authority issuing final approval for Cultivar JA's license to cultivate, process, retail and transport cannabis.

- On April 6, 2020, the Company granted stock options to its directors, officers and consultants to purchase up to 9,850,000 common shares of the Company at an exercise price of \$0.15 per common share. The options have a term of one (1) year expiring on April 6, 2021. These options have varying vesting periods, with the majority being in equal installments over a quarterly basis throughout the term.
- On April 9, 2010, the Company announced that it has completed its name change from "Cultivar Holdings Inc." to "Predictmedix Inc." (the "Name Change"). The CUSIP number assigned to the Company's common shares following the name change is: CUSIP 74040L100 (ISIN CA74040L1004). In connection with the Name Change, the Company's trading symbol, as listed on the CSE and the OTCQB have also been changed from "CULT" to "PMED", and from "CVRHF" to "PMEDF", respectively.
- Since December 31, 2019, the break of the novel strain of coronavirus, specially identified as "COVID-19" has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods.